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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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WORLD COTTON PROSPECTS

Summary

The total world cotton production during the 1932-33 season is now estimated at 24,000,000 bales of 478 pounds which is 200,000 bales less than the estimate released on December 8 but 600,000 bales more than the estimate released in the November issue of this report. The 200,000 bale decrease since December 8 was brought about by a reduction in the estimate of the Indian crop. The increase in the present estimate over the November estimate was caused by the increase of almost 800,000 bales in the estimate of the crop in the United States. The world figure of 24,000,000 bales is still 3,500,000 bales less than the estimate of the 1931-32 crop and is the smallest since 1927-28. It is 2,100,000 bales less than the 5-year average production from 1927-28 to 1931-32, about 1,100,000 bales less than the 5-year average disappearance, and slightly less than disappearance during 1931-32. The estimate of foreign production now stands at about 11,300,000 bales which is 900,000 bales more than in 1931-32, but about 600,000 bales less than in 1930-31.

Cotton textile mill activity in the United States and most of the important foreign countries during November was apparently maintained at the improved levels reached a few months earlier. Many countries, however, have had some difficulty in disposing of their output or in maintaining their unfilled orders. Cotton consumption in the United States during November was slightly larger than in October, and was the largest for any month for more than a year and a half, but sales of textiles were again considerably below production. The French industry is reported to be in an unusually good situation, with their production for

least 2 months (at November rates) already sold. In China the Japanese section of the cotton textile industry increased activity from about 60 per cent of normal to 85 per cent from mid-November to mid-December, although the Chinese section decreased activity about 5 per cent. The industry in Japan during November was said to have been in good condition with spinners making good profits, and the continued large foreign demand for piece goods enabled weavers to maintain their high rate of activity.

Exports of American cotton during November continued rather high, although they were less than in November last year, and brought the total for the first 4 months of the season to 3,206,000 bales or 12 per cent above the same period of 1931. The greatest increases this season have been in exports to France, United Kingdom, and Germany, while the greatest decrease has been in shipments to China. Total exports of Indian and Egyptian cotton continue to run below last season, although the Continent has taken larger amounts of Indian and about the same amount of Egyptian as during the same period of the 1931-32 season.

Prices

Spots

Cotton prices in the 10 markets advanced from 5.90 cents per pound to 6.32 cents during the first 11 days of November, although by December 5 Middling 7/8 in these markets had declined to 5.45 cents. This was a new low for the current season, but was still 0.69 cents above the low point reached on last June 9. From December 5 to December 19 the trend of prices was slightly upward with prices averaging 5.87 cents on the latter date, or almost one-half cent per pound above the December 5 price.

Spot prices in Liverpool during recent weeks have been influenced by the fluctuations of the British exchange rate. We find, therefore, that the differences between the prices of American Middling in Liverpool (converted to cents per pound) and the 10 spot markets have fluctuated rather widely. The price parity between American and Indian in Liverpool continued relatively stable. In Bremen, American cotton became very cheap relative to Indian and Egyptian for a short period in November, but by December had advanced somewhat relatively.

Stocks and Movement

The apparent supply of American cotton in United States

The apparent supply of American cotton remaining in the United States on December 1 was 17,250,000 bales, based on the December 1 production estimate, which placed the American crop at 12,727,000 bales. This plus the carry-over in the United States on August 1 of 9,585,000 bales gives a total supply for the season of 22,312,000 bales but the 1,856,000 bales consumed in the United States and the 3,206,000 bales exported during the first 4 months of the season leaves the above amount in the United States on December 1.

The apparent supply in the United States on December 1 a year ago was 18,590,000 bales or 8 per cent larger than this year's figure. The large supply last year was due mainly to the large crop although disappearance (exports and domestic consumption) during the first 4 months of last season was slightly less than during the same period this season. This season's supply is unusually large due to record carry-over at the beginning of the season.

Exports of American cotton

Domestic exports during November continued rather high, the 1,012,000 bales exported, although less than in November last year, were about 105,000 bales larger than in November, 1930 and brought the total for the first 4 months of the season to 3,206,000 bales, or about 12 per cent above the like period of last season. These export data which come from the Bureau of the Census show that the Orient continued to take smaller amounts during November than a year ago, but it should be remembered that the Orient took record amounts last season due in part to the short Indian and Chinese crops. Therefore, in view of the large stocks of American cotton in the Orient at the beginning of the season and the increase in Indian and Chinese production, American exports to the Orient have been suprisingly well maintained. Exports to Japan alone were larger in November this year than a year ago, and for the first 4 months this season were only 43,000 bales less than during the corresponding period in 1931, but although exports to Japan were large all last season the peak was not reached until December, January and February somewhat later than usual. Exports to France have shown by far the greatest increase over last season, but here we have just the opposite situation from that in respect to the Orient, namely, that the exports to France during the first half of last season were the lowest for many years. From August 1 to November 30, this season, shipments of American cotton to France totaled 412,000 bales, compared with 106,000 bales during the same period last season, or an increase of 230 per cent. Germany and Great Britain are important countries which have also taken considerably larger amounts this season.

Exports of Indian and Egyptian cotton

Exports of Indian cotton during the 5 weeks ended December 8 totaled 107,000 bales which, although 18 per cent less than during the like period last season, was a relative increase as compared with the early part of the

season, according to data from the Commercial and Financial Chronicle. For the season August 1 to December 8 total exports amounted to 427,000 bales or only 70 per cent as large as during the same period last season. Exports to the Continent both for the 5 weeks and for the first 4 and a quarter months were larger than during the like period last season, but to other countries, particularly Japan and China they were much smaller.

Exports of Egyptian cotton to all countries from August 1 to December 7 totaled 257,000 running bales of about 750 pounds compared with 367,000 bales during the like period last season and 306,000 bales in the 1930-31 season. During the 5 weeks ended December 7 total exports amounted to 101,000 bales, which was 28 per cent less than a year earlier. The greatest decrease was in exports to Great Britain, the Continent and India taking almost as much as a year ago, and America a slightly larger amount.

Textile Situation

United States

Cotton textile mills continued to operate at high levels during November with total cotton consumption the largest for any month since April 1931, although sales of the manufactured products were again less than output. The high rate of activity has been maintained on the basis of the large orders received early in the fall. The 504,000 bales consumed in domestic mills during November compares with 502,000 during October, and 425,000 bales during November 1931, and 415,000 bales in November 1930, according to data from the Bureau of the Census. This brought the total consumotion for the 4 months ended November 30 to 1,900,000 bales, an increase of 124,000 bales or 7 per cent over the same period last season, and 295,000 bales or 18 per cent over the first 4 months of 1930-31.

Production of carded cotton cloth during November averaged 62,264,000 yards per week compared with 63,277,000 yards in October, 57,862,000 yards in November a year ago, and 51,658,000 yards in November 1930, according to the data released by the Association of Cotton Textile Merchants of New York. Sales of cloth, however, averaged only 51,250,000 yards per week during November this year, which is equivalent to 82.3 per cent of production and compares with a weekly sales rate during November, 1931 of 56,052,000 yards. Shipments of cloth in November were maintained at levels much above sales and unfilled orders again decreased, but at the end of the month were still 97 per cent above the low point reached at the end of last June. While stocks of cloth increased during the month, they were 27 per cent less than at the end of November, 1931, and were the smallest for the month of November since these cloth data became available in 1927.

Great Britain

English cotton textile mill activity made considerable improvement following the settlement of the labor difficulties early in November which reduced activity to a very low level for a short period in late October, and the first few days of November. The spinning section of the industry was almost completely stopped at that time and that is said to have materially affected sales of cotton yarn and other textiles for a time. Spinners' takings of raw cotton dropped sharply during that period, but by the

last 2 weeks of November reached the highest levels since last May.

Exports of cotton piece goods from Great Britain, which declined sharply to a low level in October increased 20,800,000 square yards to 159,200,000 square yards in November, which was 26 per cent above November last year and 22 per cent above the same month in 1930.

Continental Europe 1/

The improvement registered in the continental cotton-textile situation during September and October was fairly well maintained during November. New sales of cotton yarn and cotton cloth over most of the Continent were of considerable volume, and mill activity, especially in western Europe, showed further increases. This upturn, however, is not yet consolidated by a comparable improvement in consumer purchases, except in France, where there has been a gradual revival of retail buying. A portion of the improvement is attributed to the fact that production had previously fallen below current consumption, so that the replenishing of supplies became necessary.

Sales of cotton yarn by continental cotton spinners were considerable during November, particularly during the first half, the movement being most pronounced in France, where the volume of unfilled orders is very satisfactory. Sales of cotton cloth on the part of weavers were also reported to be fairly good in most important European countries, but business was not quite so active as in the case of cotton yarn. So far as can be judged by current trade reports, mill activity in both the spinning and weaving sections has further increased, and it was reported that French cotton spinners have, in many instances, introduced a double shift.

Purchases of raw cotton by continental spinning mills were somewhat restricted during November compared to the previous 2 months, as the continued downward trend in raw cotton prices has produced a hesitant attitude on the part of buyers. In addition, previous acquisitions by spinners are believed to be sufficient for some time ahead. Significant new purchases are likely to be influenced by the degree of steadiness of the raw market. Price-fixing was also rather slow, but the volume was generally important upon setbacks in cotton prices. C.i.f. import buying and spot turnover in continental cotton markets were quiet, and generally restricted to bargain lots.

Germany

The cotton textile situation in Germany continued satisfactory during November, and new orders obtained by both spinners and weavers were maintained at the level reached during the previous 2 months.

The spinner report for the month of October, 1932, is now available and indicates that a decline in raw cotton prices reduced the sales of cotton yarn by German cotton spinners in parts of the Rhineland. The same

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1/ Based largely on a report from Assistant Agricultural Commissioner Donald F. Christy at Berlin, Germany prepared December 7, 1932 and supplemented by cable December 15, 1932.

was generally true in Saxony, although a certain seasonal revival was evident there. In Westphalia and southern Germany, on the other hand, some increase in cotton yarn sales was reported. A further reduction in cotton yarn stocks with spinners resulted from the active calling of old contracts.

Fine spinners are still handicapped by the low prices asked by British suppliers, who increased their offers of fine cotton yarns on the Continent, and especially in Germany, as a result of the Lancashire weavers' strike. The substantial upturn in the mill activity of cotton spinners was followed by a further slight increase in October. Activity in per cent of the 1928 monthly average was about 92 per cent in September, as compared to about 80 in the previous month, and about 90 in September a year ago.

The October report of the German cotton weavers indicated that weaving establishments were fairly active, being well supplied with new orders. Early in October wholesalers' buying interest was still at the high level attained in September, but later declined as a result of the weakness in the raw market. Export business was very difficult, particularly to Holland and the Scandinavian countries, where German textile interests have suffered as a result of the protest against the proposed contingenting of agricultural products by Germany. Exports to these countries now consist largely of specialties.

Spinner and weaver reports for the month of November indicate that business in cotton yarn and cotton cloth continued satisfactory, though somewhat reduced as compared to September and October.

Purchases of raw cotton by German cotton spinners were rather restricted during November. Uncertainty regarding the results of the German elections was the contributing factor during the first part of the month, and, later, the weakness of cotton prices prevented the development of a significant buying movement. Spinners' interest was slightly better at the beginning of December, particularly for new arrivals and for deliveries during the first quarter of 1933. Price-fixing orders were rather limited.

Czechoslovakia

New business of cotton spinning and weaving mills has remained within very narrow limits, in fact, the weaving mills have recently complained of reduced business. Exports of both yarn and cloth were very small particularly during July and August as a result of the many hindrances to foreign trade in the form of tariff and currency barriers. However, a substantial increase has occurred in the exports of both yarn and cloth since that time. Exports of yarn increased from 1,446,000 pounds in August to 2,654,000 pounds in October and fabrics from 1,305,000 pounds in July to 2,654,000 pounds in October.

The newly-formed spinner cartel has maintained a price policy in favor of a slight expansion of spinner margins, but this has resulted in complaints on the part of weaving mills who hold that their competitive strength on world markets is thereby greatly imparied. The formation of a weaver cartel appears to depend upon a guarantee of stable yarn prices by the spinner cartel.

Austria

There has been little change in the very unsatisfactory situation of the Austrian cotton industry. Spinning mills are greatly handicapped by the severe decline in export possibilities. It was stated that during November about one-half of all Austrian spindles were idle, and that the remaining spindles worked at only about 50 per cent capacity. On the basis of the available mill activity figures this statement seems exaggerated, but there is no doubt that the situation is very bad. The weaving mills are also having difficulties and one-third of the plants are reported to be idle. These difficulties are surprising, as the capacity of the Austrian weaving mills is not sufficient to cover domestic requirements, considerable imports of finished fabrics generally being required to fill the current needs of consumption.

France

The cotton textile situation in France during the month of November continued very satisfactory, with business in yarns and cloth remaining on high levels and mill activity rising further. Roubaix even reported a scarcity of skilled labor, as is usual in that district during times of good textile activity.

Not only northern France, but Normandy and other important cotton textile districts experienced a further revival in the buying interest for cotton yarn. As a result, mill activity has further increased, and some of the mills are organizing second shifts. The complaints of the marked scarcity of skilled labor is undoubtedly due to the prolonged period of high unemployment in these districts resulting in the movement of skilled labor to other districts.

Weaving mills reported a good volume of new sales of fabrics to wholesalers and an increased export interest on the part of competent merchants. Reports issued toward the end of November indicate that the weaving establishments are supplied with unfilled orders sufficient to last well into March, and even later, so that, although new business is only moderate, there is reason to believe that a good rate of mill activity will be maintained during the next few months.

All these developments have contributed to make the situation in the French cotton textile industry more hopeful than for some time past. French observers claim that the upturn may continue and that the tendencies evident in ultimate consumption will support the movement in wholesale trade and production. Such tendencies are apparent, but it still remains doubtful that the improvement in the cotton textile industry in France can continue for any length of time at present levels unless there is a corresponding improvement in general business conditions.

Cotton spinner buying interest for raw cotton during the month of November was fairly satisfactory but quiet, and price-fixing was slow, although an increase in activity was noted toward the end of the month. Spinners seem to be covered for the next few weeks, which indicates that caution in the raw market may continue for some time to come.

Italy

November sales of cotton yarn and cotton cloth by the Italian mills have remained on the satisfactory levels reported for October, with export sales of yarn somewhat above, but exports of fabrics below those of a year ago. Spinner and weaver margins are still considered unsatisfactory.

Spinner buying interest for raw cotton was of fair volume, centering around spot and near c.i.f. cotton, but price-fixing was slow.

Scattered statistical information on new developments and reports from trade observers indicate that mill consumption of raw cotton in Italy is some 10 per cent above the same time last year, with yarn sales recently considerably in excess of the output of the mills, and cotton yarn stocks further declining. It is reported that unfilled orders in spinning mills have increased slightly for several weeks and in early December were somewhat above last year.

Holland

According to the latest International Federation report, conditions in the spinning section did not improve during the third quarter of 1932. Most of the mills were working short time, as the demand for yarn, as well as spinner margins, continued unsatisfactory.

The situation in the weaving section was also reported to have been very poor from July to September. The large export mills received but few export orders and, in addition, faced severe competition on the home market, so that a large number of looms were stopped.

Around the middle of November, the situation of the Enschede textile industry was reported quite critical, as a result of the limited possibilities on export markets, and in a petition to the Government the industry asked for drastic contingents on imports, so that the domestic market might be reserved for domestic producers.

Belgium

The report for the third quarter made by the Belgian textile industry to the International Federation indicates that the sales of cotton yarn were larger and that spinners' working hours increased. The actual running time of spindles was about 65 to 70 per cent of normal capacity, while the activity of weaving mills cannot be definitely determined.

Switzerland

The Swiss industry reported to the International Federation that during the third quarter of 1932 they had been laboring under the greatest difficulties in regard to exports. Orders on the books were not sufficient to keep fully occupied even the small number of workers still employed. A small increase in new orders for the mills resulted from the upward movement of raw cotton prices early in September, but the report states, this movement was short-lived.

Poland

A recent report from Poland indicated that the official Export Institute is making efforts to establish a new export association for the whole textile industry, which will have the supervision of the distribution of export premiums and the collection of information on business possibilities and general economic conditions in the principal export market.

Russia

The usual information on the production of cotton textiles for October has not yet appeared in the Soviet Press, but based on daily production estimates and comparisons with previous months, the total output of finished goods is estimated to have been between 203,000,000 and 213,000,000 yards. The average daily production of finished fabrics was below September levels, but about 7.1 per cent above October production last year. The October plan is reported to have been only 87.5 per cent completed.

The November output is expected to be below previous months, as a result of the smaller number of working days (holidays celebrating the anniversary of the Russian October revolution).

Production of finished fabrics during the first 10 days of November amounted to only 51,711,000 yards but during the second 10 days rose to 66,731,000 yards. Production of yarn amounted to 33,697,000 pounds during the first 20 days of November.

Recent foreign reports indicate that the Soviet buying agent in Egypt (Rufftorg) closed his office in Alexandria on October 22. This has been attributed to the successful efforts of the Union to produce its own requirements of Egyptian type cotton, but the scarcity of foreign currency may also have played some part. The acreage of Egyptian type cotton grown in the U.S.S.R. rose from about 7,400 acres in 1930 to 148,300 acres in 1932.

Japan 1/

At the beginning of November the general situation in the Japanese cotton industry was said to have been good. Spinners were making good profits on their yarn and the weavers continued to operate at high levels due to the continuation of the large demand for Japanese piece goods. Cloth exports continued at levels much above previous years. Reports indicate that the Japanese efforts to develop the Manchurian market for piece goods were meeting with considerable success and that takings by that market during October were particularly good.

Mill purchases of American cotton were very heavy during the last half of October and the early part of November according to reports, and this seems to be reflected in exports from the United States to Japan during November, the 273,000 bales being 74,000 bales or 37 per cent more than in October, 27,000 bales, or 11 per cent greater than a year earlier, and the largest on record for that month. Mill purchases of American cotton are said to have declined considerably during the latter part of November.

1/ Based largely on information received from Vice Consul Schulters at Kobe early in December.

At the beginning of December prices of American cotton in Japan were somewhat cheaper relative to Indian cotton than a month earlier. Yarn prices continued to advance with the decline in the yen exchange, which accounts for the good profits being made on yarn by spinners.

China 1/

The Japanese section of the cotton textile industry in China increased its activity materially from mid-November to mid-December. The Japanese mills in Shanghai were operating at about 85 per cent of normal during the first part of December, whereas a month earlier it was estimated that activity was only 60 per cent of normal. The Chinese section on the other hand is said to have reduced activity from about normal to about 95 per cent of normal during the period. The Japanese section of the industry usually consumes larger proportions of American cotton than does the Chinese section.

The piece goods market was still weak toward the middle of December with only a small amount of business being done and little improvement expected until after the Chinese New Year in early February. The yarn market during the month ended mid-December was dull due to poor demand, tight money, and the competition of cheaper yarns from Japan. About the 12th and 13th of December, however, Chinese yarn advanced slightly which was said to be due to small arrivals of native cotton and increased sales to Szechuan. This advance was the first improvement in the yarn market witnessed in many weeks, and took place despite the increase in yarn stocks which occurred. The Japanese mills in Shanghai reduced their yarn stocks but not enough to offset the increase in stocks of the Chinese mills.

Stocks of American cotton in China are being reduced, and at the end of November wharf warehouse stocks in Shanghai totaled 102,000 bales, or 46 per cent less than on August 1. While the mills in Shanghai have been showing little interest in American cotton, or Indian cotton, so far this season, it is believed that they will begin buying in January or February. The small interest in American cotton is shown by the small amount of exports from the United States to China. During the first 4 months of this season total shipments of American cotton to China amounted to only 84,000 bales compared with 454,000 bales during the like period last season, or a decrease of 82 per cent.

Production, Acreage and Crop Conditions

World

Foreign production now provisionally estimated at about 11,300,000 bales of 478 pounds, and the United States crop estimated at 12,727,000 bales gives a world total of 24,000,000 bales. Although the estimate of foreign production is 900,000 bales larger than the estimate of last season, the world figure is 3,500,000 bales less than that for last season and is the smallest world estimate since 1927-28. The present estimate of the total crop of all countries is 2,100,000 bales less than the 5-year average production from 1927-28 to 1931-32, 1,100,000 bales less than the 5-year average

1/ Based largely on information received from Agricultural Commissioner Dawson by radiogram on December 14.

disappearance, and slightly less than disappearance last season. The increase in the estimate of foreign production this season is due mainly to larger crops in China and India, although the increases in these countries are partly offset by a substantial decrease in Egypt and estimates of minor decreases in Mexico and Brazil.

United States

The December 1 estimate indicated a total crop of 12,727,000 bales of 478 pounds net or 500 pounds gross, which was 780,000 bales more than was forecast a month earlier, but still 4,369,000 bales, or 26 per cent less than last year's production, and the smallest since 1923. The increase from the previous month was due in part to larger yields being realized in the major States than had been expected and in part to an increase in the estimated acreage in nearly all States. The new acreage estimate placed the harvested area at almost 1,000,000 acres or 2.7 per cent more than the earlier estimate. The estimate of 37,589,000 acres is still 7.6 per cent less than the 1931 acreage, 16.6 per cent less than 1930 and 20.2 per cent below the record acreage of 1926.

China

The Chinese crop is still expected to be something like 35 per cent larger than last year which, on the basis of 1,700,000 bales of 478 pounds for last year, gives a production this season of about 2,300,000 bales. This compares with a 5-year average production of about 2,081,000 bales. The short crop last season was due to reduced yields caused by flood damage. The yield per acre in 1931 was 169 pounds compared with 206 pounds in 1930-31, and was the lowest since 1921-22.

Egypt

The second official estimate of the Egyptian cotton crop released December 4, placed the production at 870,000 bales of 478 pounds, which is practically the same as the first estimate made in early October, and is 418,000 bales or 32 per cent less than the 1931-32 crop, and the smallest for more than 35 years. The total production as now estimated is 51 per cent or 898,000 bales less than the record crop of 1929-30.

Total ginnings of Egyptian cotton up to December 1 has been reported at 537,000 bales of 478 pounds, or 23 per cent less than ginnings to the same date last season. Ginnings of Sakellaridis were 15 per cent less, and other varieties 25 per cent, whereas the estimate of production for the season is 32 per cent less than last season for the total crop, 18 per cent less in the case of Sakellaridis, and 36 per cent less for all other varieties.

Russia

Information received on the Russian crop up to early December indicated that production this season might fall even below the estimate made by the Bureau of Agricultural Economics, which was only slightly larger than the 1931-32 crop. Picking during November was said to have been hampered by unfavorable weather conditions, dissatisfaction among the peasants, and poor organization of labor. Consequently only 68.5 per cent of the planned procurings had been delivered up to November 25, whereas the schedule called for an execution of 92 per cent of the plan by that date. With the plan calling

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for an execution of 92 per cent of the plan by that date. With the plan calling for total deliveries of 1,450,000 tons of unginned cotton, or about 2,000,000 to 2,200,000 bales of 478 pounds, depending on the percentage of lint, the actual procurings to November 25 were in the neighborhood of 1,375,000 to 1,500,000 bales of 478 pounds.

India

The December estimate of the Indian cotton crop released by the Department of Statistics at Calcutta was much less than was expected from early indications although the early estimate was on the basis of a slightly larger acreage than is now reported. The official estimate based on acreage and conditions as of December 1 indicated a crop of 3,542,000 bales of 478 pounds, an increase of only 141,000 bales or 4 per cent over the unusually small crop of last season. The estimated yield per acre was 8 per cent below average whereas estimates of the members of the trade in Bombay indicate a yield more nearly normal, in contrast with a yield last year of 22 per cent below average and the smallest since 1920-21. While the Bombay cotton trade agrees that this year's crop is considerably below average their estimates show increases over 1931-32 ranging between 500,000 and 700,000 bales of 478 pounds, and some indicate even larger increases. In view of all the information now on hand, it seems likely that the estimate made by this Bureau a short time ago is too high and that a figure of 4,000,000 bales or 200,000 bales below the earlier figure is justifiable. This is 600,000 bales above the official estimate for last year but about 500,000 bales below the 5-year average (1926-27 to 1930-31). Receipts and ginnings figures for the early weeks of the season were well above last year, but at this time of year they represent too small a percentage of the crop to furnish a satisfactory basis in themselves of production changes. Also it should be observed that although the December forecast is at times as large or larger than the final estimate it is more frequently below the final figure. If official estimates continue to indicate as small a crop as they do at present and should later developments corroborate the official figure, the estimate of this Bureau will again be reduced. In view of the conflicting evidence at present and the frequent increases in the final official figures for the Indian cotton crop it seems undesirable to accept the very low official figure at this time. In any case, however, it seems clear that the Indian cotton crop is well below average and if it proves to be as small as officially forecast it will be very short, especially in view of the reduced world carry-over of Indian cotton.

An additional feature of the reports on this year's Indian cotton crop is the small quantity and low quality of the longer staple Indian cottons. Since these are the cottons that compete more directly with cotton from the United States this means that foreign mills will be more dependent upon American cotton than even the small size of the Indian crop would indicate.

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